



THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: April 19, 2007 **REPORT NO.** PC-07-057

ATTENTION: Planning Commission, Agenda of April 26, 2007

SUBJECT: 52nd STREET SENIORS - PROJECT NO. 27958. PROCESS 4.

OWNER: 52nd Street, a Joint Venture composed of Larry G. Mabee, and Unmarried Man as to an undivided 76% Joint Venture Interest, and Philip A. Ward, a Married Man as his sole and Separate Property as to an undivided 24% Joint Venture Interest; and the San Diego Housing Commission (Attachment 9).

APPLICANT: Housing Development Partners of San Diego, Inc.

SUMMARY

Issue: Should the Planning Commission approve a phased mixed-use project consisting of 240 residential units (including 87 affordable senior housing units) and 54,000 square feet of commercial space located at 4310 Dawson Avenue in the CU-2-3 Zone of the Central Urbanized Planned District within the Mid-City Communities Plan area?

Staff Recommendation:

1. **Certify** the Finding of No Significant Impact (FONSI) and Mitigated Negative Declaration No. 27958, and Adopt the Mitigation Monitoring and Reporting Program; and
2. **Approve** Planned Development Permit No. 426991 and Conditional Use Permit No. 161157.

Community Planning Group Recommendation: On June 5, 2006, the City Heights Area Planning Committee voted 16:1:1 to recommend approval of the project with one condition. See the Discussion section for further information.

Environmental Review: A Finding of No Significant Impact and Mitigated Negative Declaration No. 27958 have been prepared for the project in accordance with National Environmental Policy Act of 1969 and State of California Environmental Quality Act (CEQA) Guidelines. A Mitigation, Monitoring and Reporting Program has been prepared and would be implemented which would reduce, to a level of insignificance, any potential impacts identified in the environmental review process.

Fiscal Impact Statement: None with this action. A deposit account funded by the applicant recovers all costs associated with the processing of the project application.

Code Enforcement Impact: None with this action.

Housing Impact Statement: The Mid-City Communities Plan designates the site for Commercial and Mixed-Use development. This designation allows up to 35 dwelling units per acre or up to 43 dwelling units per acre when residential development is proposed as part of a mixed-use project. Given that the project is proposed as a mixed-use development, the Mid-City Communities Plan would allow for up to 178 residential units on the 4.15-acre site. The underlying zone of the site (CU-2-3, a Commercial Zone allowing one residential unit per 1,000 square feet) would allow for the development of 181 dwelling units.

The project is subject to the Inclusionary Housing requirements of the San Diego Municipal Code (SDMC) Chapter 14, Article 2, Division 13. In addition, the applicant has requested a density bonus as provided for in Government Code section 69515-69518, which allows for a density bonus of up to 35 percent of the base density, per the underlying zone. The applicant is requesting a 33 percent density increase of 59 additional units for a total of 240 units. Of the 240 residential units, 87 would be for-rent affordable senior housing units with one for-rent manager's unit developed as a part of Phase I, and 152 units would be market rate units, developed as a part of Phase II. In exchange for increased density, the project has been conditioned to require the applicant to meet the requirements of the Density Bonus regulations by setting aside a minimum of 20 units (or 11 percent of the pre-density bonus units) with rents affordable to very low-income households (rents at 30% of 50% Area Median Income) for a period of 55 years.

The project is also subject to the Inclusionary Housing requirements of SDMC Chapter 14, Article 2, Division 13. The combined affordability provisions of the Density Bonus and Inclusionary Housing programs require the project to set aside 20 rental units affordable to very low-income households, as shown in the table below. The applicant proposes to exceed these requirements by setting aside nine units at 30% Area Median Income (AMI), nine units at 40% AMI, 44 units at 50% AMI, and 25 units at 60% AMI, for a total of 87 affordable units. The actual AMI will not be established until permanent financing is secured.

LOW-INCOME RENTAL REQUIREMENT			
	Inclusionary Housing	Density Bonus	Combined
Number of units	18 units*	20 units*	20 units
Affordability Term	55 years	30 years	55 years
Rent Restrictions	30% of 65% AMI	30% of 50% AMI	30% of 50% AMI
Occupancy Restrictions	65% AMI	50% AMI	50% AMI

* Both the Inclusionary Housing Program and the Density Bonus Program require that the affordable units be comparable to the market rate units. Since the composition of the market rate development is not known at this time, the Housing Commission will re-evaluate the comparability of the affordable units when the market rate project is developed. To the extent that the 20 affordable units are not comparable, the affordable unit mix will need to be modified.

BACKGROUND

The project site is addressed as 4310 Dawson Avenue and is located on the south side of El Cajon Boulevard, between 52nd Street and Dawson Avenue, within the City Heights Redevelopment Project Area and within the City Heights community of the Mid-City Communities Plan Area. The proposed project is designated in the Mid-City Communities Plan for Commercial and Mixed-Use development permitting residential densities from 29 to 35 dwelling units to the acre (Attachment 1). For projects proposing mixed-use development, a bonus of up to 43 dwelling units to the acre is available. The site is located in the CU-2-3 Zone of the Central Urbanized Planned District and is subject to the regulations contained within the Central Urbanized Planned District Ordinance. The CU Zones were established to allow different types of mixed uses at varying densities. The CU-2-3 Zone in particular allows a mix of heavy commercial and limited industrial uses with residential uses, and is intended to accommodate development with pedestrian orientation and medium-high density residential use. The CU-2-3 Zone allows residential development at a rate of one unit per 1,000 square feet of lot area.

The site is located in a neighborhood of existing multi-family and commercial development. The proposed project would be developed in two phases. Phase I would be located on the 0.83-acre southern portion of the site. The 0.83-acre portion of the 4.15-acre site is currently vacant and vegetated with small plants and non-native grasses. The Phase II portion of the project, located on the northern end of the site adjacent to El Cajon Boulevard, is currently developed with 46,367 square-feet of commercial and retail space. The site is characterized by a gently sloping lower section across the eastern two-thirds of the property and an upper moderately sloping section at the northern and western ends of the site. Surface elevations range from approximately 390 feet above mean sea level in the northwestern corner of the site to 340 feet above mean sea level in the southeast portion of the site.

DISCUSSION

Project Description:

The 52nd Street Seniors project would consist of a phased, mixed-use development on a vacant 4.15-acre site. The applicant proposes the construction of an 88-unit senior housing facility (Phase I) and the development of 152 market-rate residential units and approximately 54,000 square-feet of commercial (Phase II). The 88-unit senior housing facility would be sited at the southern end of the project site (0.83-acre portion of the site) and would be developed in a four-story 80,971 square-foot building above a one-story 23,576 partially underground, parking garage. The 88-unit senior housing facility would consist of 87 affordable, for-rent senior housing units including 72 one-bedroom units, 15 two-bedroom units, and one two-bedroom resident manager unit. The 87 affordable units would be affordable to seniors earning no more than 60% the area median income (AMI), thereby exceeding the requirements of the City of San Diego Inclusionary Affordable Housing regulations.

The proposed 52nd Street Senior Housing development is estimated to generate 3,420 average daily trips (ADT) with 166 AM peak-hour trips and 307 PM peak-hour trips. A trip credit was applied to the existing use on this site. The existing use on site consisting of 46,250 square feet of retail space is generating approximately 1850 ADT with 55 AM peak-hour trips and 166 PM peak-hour trips. Therefore, the net traffic increase generated by this project would be 1,570 ADT with 111 AM peak-hour trips and 141 PM peak-hour trips.

A traffic analysis was conducted by VRPA Technologies to evaluate potential project impact on surrounding streets and intersections within the study area shown in the analysis. It was determined that direct and cumulative impacts would occur in the near term (Phase I) and long term (Phase II) scenarios at street intersections and roadway segments. Impacts at these locations were studied and evaluated. As a result, for Phase I the project would be required to construct a landscaped raised median along El Cajon Boulevard from 52nd Street to 54th Street, including prohibition of left turns at the intersections of El Cajon Boulevard/Project Access and El Cajon Boulevard/Dawson Avenue. In Phase II, the project would be required to provide 2.71% fair share contribution toward the intersection improvement of El Cajon Boulevard/54th Street, including construction of additional left turn lanes in the southbound, eastbound, and westbound directions and an additional right turn lane in the northbound direction. Also at phase II, project would be required to upgrade the existing signal at the intersection of El Cajon Boulevard/52nd Street including a new signal controller, new controller cabinet, new electrical and loop detection, etc., or contribute 2.63% fair share to the El Cajon Boulevard/54th Street improvement in addition to the 2.71% fair share identified above.

The 88-unit senior housing facility would employ a standing seam metal mansard roof around portions of the perimeter and predominantly be a flat roof. The elevations would be composed of vinyl siding, colored stucco, painted concrete block, glass block, vinyl windows and doors, painted metal pipe railing, metal and wood supporting brackets, and fascia molding. An entry portico would define the entrance.

Seven off-street short-term/visitor parking spaces would be located in front of the building facing 52nd Street. The subterranean parking garage would provide 74 parking spaces, an elevator and utility rooms. Four of the 74 spaces would be reserved for disabled drivers. The garage would be subterranean adjacent to 52nd Street and at street-level adjacent to Dawson Avenue, due to the west to east sloping topography of the site. Access to the parking garage would be provided from Dawson Avenue. A courtyard would be located in the center of the complex, above the parking garage.

Phase II would be developed on the remaining 3.32-acre portion of the 4.15-acre site. Phase II would be a mixed-use development composed of 152 market-rate residential units and 54,000 square feet of commercial space. The 54,000 of square feet of commercial space would allow for the addition of 7,250 square feet above the 46,250 square feet of commercial space which currently exists on the site. The approval of Phase II development would require a subsequent discretionary action and a noticed public hearing. Phase II proposes to meet the parking requirements of the SDMC on-site.

Approximately 93 percent of the site or 0.77 acre would be graded. The proposed excavation would total 6,030 cubic yards and export would total 4,160 cubic yards. All earthwork export would be disposed at a legal disposal site. The geotechnical report for the proposed project indicates the presence of undocumented fill and structurally unsound soil formations. This requires the excavation of these materials and the re-compaction and remediation of these physical conditions.

A Water Quality Technical Report (WQTR) was prepared by Tetra Tech EM Inc. in July 2004 and revised by P&D Consultants in May 2005 to document the approach to storm water management that would be implemented and to identify and site Best Management Practices (BMPs). According to the WQTR report, the project would collect runoff from the roof and direct it through a collection system to a drainage system beneath the parking area. The proposed drainage system for the project would ultimately discharge urban runoff to Chollas Creek. The project would implement all measures identified in the Water Quality Technical Report to address storm water. This would include construction and post-construction BMPs. In addition, filtration treatment BMPs, in conformance with the Stormwater Standards Manual and guidelines in the Stormwater Mitigation Plan, would remove potential pollutants from the proposed site.

The specific site design, size of buildings and other improvements have not yet been determined for Phase II; however, the applicant has prepared the "52nd Street & Dawson Avenue Design Guidelines" (Attachment 5) to ensure an aesthetic design and functional planning are incorporated into the proposed project. These Design Guidelines are complimentary to the principles established in the College Area Business District Design Guidelines, dated December 2005. The guidelines provide the design intent for the site planning, landscape, architecture, parking and implementation of the second phase. Additional review would be needed to ensure that the design of Phase II would meet the intent of the Mid-City Communities Plan. Both phases of the proposed development would comply with the project's Design Guidelines and any other applicable zoning regulations, except as allowed by the Planned Development Permit process and Government Code Section 65915.

The current design for Phase I is deviating from the SDMC regulations governing the number of driveways serving the site, and the distance between the driveways. The applicant is requesting the use of the Density Bonus regulations (further described below, in the Project Related Issues section of the report) to allow for the concessions to the regulations governing height, parking, and setbacks. Each of the deviations requested is needed to ensure the number of affordable units and the feasibility of the project. Additionally, the applicant has cited that meeting the SDMC requirements governing height, parking, and setbacks, and would render the project financially infeasible due to the increase costs associated with a reduction in the square footage of the buildings, and construction of a second level of underground parking. Other than proposed concessions and deviations described, the proposed development would comply with the applicable regulations of the SDMC.

Approval Descriptions:

The project as proposed requires the processing of a Planned Development Permit for deviations (driveway separation and number of driveways) to the regulations of the underlying zone, and for commercial development that varies from the required architectural features of the Central Urbanized Planned District. The project also requires the processing of a Conditional Use Permit (CUP) for Senior Housing. Due to the general nature of the design guidelines and the concerns of the City Heights Area Planning Committee, the project has been conditioned to require a Process 3 decision for each Phase II application with the Hearing Officer serving as decision maker and appealable to the Planning Commission. If any Phase II application seeks an amendment to, or deviations from, the approved 52nd Street & Dawson Avenue Design Guidelines, that application would require a Process 4 decision, with the Planning Commission serving as decision maker and appealable to the City Council.

Community Plan Analysis:

The proposed project site is located in the City Heights neighborhood of the Mid-City Community. The site is designated Commercial and Mixed-Use in the Mid-City Communities Plan. This designation allows up to 35 dwelling units per acre or up to 43 dwelling units per acre when designed as a mixed-use project. Based on the higher mixed-use density limit, the land use designation of the community plan would allow a maximum of 178 residential units, when combined with commercial use as a mixed-use project. The total development proposed on the site would include 240 residential units and 54,000 square feet of commercial space. The project would be allowed to exceed the community plan density by utilizing the State Affordable Housing Density Bonus provisions of Government Code section 69515-69518 which allow a maximum density bonus of thirty-five percent, or 62 units, within the project site. As previously described, the applicant is proposing a density increase of 33 percent, or 59 residential units.

The affordable senior housing units would be proposed within a four-story courtyard style apartment building. Street trees would frame both street frontages on 52nd Street and Dawson Avenue and additional trees would provide screening along the northern side of the building. Recreational amenities would be provided for residents in the form of an approximately 5,000 square foot central courtyard, sundeck, and community room. The Residential Element of the

Plan encourages quality senior citizen housing projects and recommends subsidized housing be located along transportation corridors such as El Cajon Boulevard. Bus routes 1 and 15 serve the proposed project along El Cajon Boulevard, with the nearest stop on El Cajon Boulevard at 52nd Street.

Community Planning Group Recommendation

On June 5, 2006, the City Heights Area Planning Committee (CHAPC) voted 16:1:1 to recommend approval of the project, with one condition (Attachment 8). The CHAPC condition required the applicant to process a subsequent discretionary permit for the Phase II portion of the project. City staff has determined this would be appropriate due to the general nature of the 52nd Street & Dawson Avenue Design Guidelines (See Attachment 5). The draft permit includes condition number seven which states "Prior to the issuance of any construction permit for the Phase Two portion of this development, a subsequent discretionary action at a noticed public hearing and any required environmental review shall be approved by the City of San Diego."

Environmental Analysis:

In compliance with the National Environmental Quality Act (NEPA) and HUD Environmental Review Procedures, the California Environmental Quality Act (CEQA) as amended and the State CEQA Guidelines, the City of San Diego has conducted an Environmental Assessment pursuant to NEPA and an Initial Study pursuant to CEQA for the proposed project. Staff has determined the proposed project may potentially have a significant environmental effect in the following areas of concern: Transportation/Circulation, Historical Resources, Public Services and Paleontological Resources. Pursuant to NEPA and CEQA the project would include measures, as described in the Mitigation Monitoring and Reporting Program, to reduce to a level of insignificance those areas for which a potential substantial impact may result as an outcome of the development of the project. With the inclusion of these features, the project would avoid or mitigate those potentially significant environmental effects previously identified. The preparation of an Environmental Impact Statement/Environmental Impact Report was not required.

Project Related Issues:

Deviations

As allowed through the approval of a Planned Development Permit, the applicant is requesting two project design deviations. The Municipal Code allows one driveway per street frontage, and a minimum driveway separation of 45 feet. The project proposes to deviate from the SDMC regulations governing the number of driveways and spacing between those driveways on Dawson Avenue, and the number of driveways on 52nd Street. The first deviation is to allow two driveways each along the frontage of both 52nd Street and Dawson Avenue. The second deviation is to allow a proposed thirty-eight foot wide separation between the two driveways on Dawson Avenue where a minimum separation of forty-five feet is required.

The parking area directly off 52nd Street is a minimal lot of seven spaces. In order to maximize the number of parking spaces provided at that location, the applicant proposed one-way entry and exit drives, along with 45-degree angled parking stalls. This parking design was proposed to reduce the width of the drive aisle to accommodate the seven parking stalls. The Dawson Street access required two driveways in order to maximize the parking count inside the parking garage. In addition, a substantial grade difference exists between the garage parking bays which requires two entrances. Joining the two entrances would require elimination of a substantial number of parking spaces and would result in awkward circulation and maneuvering inside the garage. For the reasons discussed above, the proposed design with two entrances would be superior to, and provide a much more efficient circulation pattern than, a one-entrance design, pursuant to the regulations.

Density Bonus Incentives and Senate Bill No.1818

The applicant is requesting use of the Density Bonus regulations to allow for affordable housing incentives to modify the required setbacks, exceed the maximum height and provide fewer than the minimum number of parking spaces. On January 1, 2005, Senate Bill (SB) No. 1818 became effective, which amended Government Code Section 65915 to make numerous changes relating to the provisions of affordable housing and density bonuses. Government Code Section 65915 requires local governments to provide residential developers with incentives or concessions if the developer agrees to construct affordable housing. The 52nd Street Seniors project proposes to construct 88 for-rent residential dwelling units in Phase I and 152 market rate residential units and 54,000 square feet of commercial space in Phase II. Of the 88 dwelling units developed as a part of Phase I, 87 would be affordable to seniors earning not more than 65% of the Area Median Income and one unit would be a manager's unit.

The underlying zoning of the property allows the development of 181 units. Government Code section 65915-65918 allows for a density bonus of up to 35 percent of the base density, per the underlying zone. The applicant is requesting a 33 percent density increase of 59 additional units for a total of 240 units. In exchange for increased density, the applicant would provide 20 units (or 11 percent of the pre-density bonus units) with rents affordable to very low-income households (rents at 30% of 50% AMI) for a period of 55 years.

In addition, Government Code Section 65915 requires the granting of three concessions or incentives for projects that include at least 15 percent of the units for persons and families of very low income in a common interest development. Government Code Section 65915 also clarifies the definition of concession or incentive to mean those reductions in development standards, zoning code requirements, design requirements or regulatory incentives or concessions that result in identifiable, financially sufficient and actual cost reductions.

Pursuant to Government Code Section 65915 the City shall grant the concession or incentive requested by the applicant unless the City makes a written finding, based upon substantial evidence, of either of the following:

- The concession or incentive is not required in order to provide for affordable housing costs; or

- The concession or incentive would have a specific adverse impact upon public health and safety of the physical environment.

The applicant is requesting three concessions (setbacks, height, and parking) from requirements of the CU-2-3 zone, as allowed by the Density Bonus regulations. Each of the incentives requested, as further described below, is necessary to ensure the number of affordable units and the feasibility of the project.

Setback - The required side yard setback in the CU-2-3 Zone of the Central Urbanized Planned District Ordinance is ten feet, with an option that the project can set development on the property line, or at a zero-foot setback. In simple terms, the San Diego Municipal Code allows either a ten-foot, or a zero-foot side yard setback in the CU-2-3 Zone. The project proposes a five-foot front yard setback. Providing a ten-foot side yard setback would result in a loss of a significant number of units and parking spaces as well as severely compromise the proposed internal courtyard. Building to the property line would require fire rated walls which prohibit window openings and balconies. Essentially, building to the property line would result in a solid wall which would be detrimental to the project's aesthetic appearance to the neighborhood.

Height - The required maximum height in the CU-2-3 Zone of the Central Urbanized Planned District Ordinance is 50 feet. The project proposes a maximum height of 64 feet. The senior housing site has a significant grade change from the western portion of the site along 52nd Street and the eastern portion of the site along Dawson Avenue. As a result of this grade differential the height of the proposed structure measures approximately 45 feet along the 52nd Street frontage and 67 feet along the Dawson Avenue side. To achieve the proposed 88 units of senior housing while maintaining site amenities, the senior building would be a four-story structure. Due to the existing topography, the proposed structure would exceed the 50 foot height limit as the grade declines from the 52nd Street side of the site to the Dawson Avenue side. The proposed financing for the project is the highly competitive 9% tax credit financing program. The number of proposed units is a key factor in determining the competitiveness of this project for tax credits. Furthermore, tax credit financing is a critical component to maintaining the units as affordable for seniors earning 60% of the area median income and less. Compliance with the 50 foot height limit would result in a significant reduction in the number of units, thereby making the project financially infeasible.

Parking - The required minimum number of parking spaces for the proposed senior housing project is 88 spaces, and the project is proposing 81 spaces, or 0.92 spaces per dwelling unit. The proposed parking is being accommodated in a one level subterranean parking structure. The proposed parking plan has maximized the number of spaces within the parking structure, as well as the number of spaces located on the surface of the site. Building a second level of structured parking for the additional spaces is economically infeasible. Furthermore, reducing the number of units would impact the financial viability of the project as an affordable housing project.

Other than the proposed deviations and incentives described, as allowed through the Planned Development Permit process and Government Code Section 65915, the proposed development would comply with the applicable regulations of the SDMC, and be consistent with the

recommended land-use, design guidelines, and development standards if effect for this site. Based upon substantial evidence documented for the proposal, which includes the Finding of No Significant Impact and Mitigated Negative Declaration No. 27958 prepared for the project, staff has determined the deviations and concessions would pose no adverse impacts upon the health and safety of the public or detriments to the physical environment. The requested deviations and concessions are required to provide the 87 affordable housing units. Without the deviations and concessions the project would lose a substantial number of units and parking spaces and would make the project economically infeasible. Pursuant to said Government Code Section, City staff recommends granting the deviations for the number of driveways and the spacing between those driveways and concessions to the maximum height, side yard setback and parking regulations, upon approval of the proposed development.

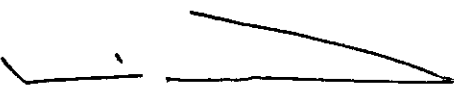
CONCLUSION

Staff has reviewed the request for a Planned Development Permit and Conditional Use Permit to allow development of a phased project located at 4310 Dawson Avenue in the CU-2-3 Zone of the Central Urbanized Planned District. All issues identified through the review process have been resolved in conformance with the adopted City Council policies and regulations of the Land Development Code. Staff has provided draft findings to support the approval of Planned Development Permit No. 426991 and Conditional Use Permit No. 161157 (Attachment 6) and recommends the Planning Commission approve the project as proposed.


ALTERNATIVES

1. Approve Planned Development Permit No. 426991 and Conditional Use Permit No. 161157, with modifications.
2. Deny Planned Development Permit No. 426991 and Conditional Use Permit No. 161157, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,



Mike Westlake
Program Manager
Development Services Department



Daniel Stricker
Development Project Manager
Development Services Department

ESCOBAR-ECK:DTS

Attachments:

1. Community Plan Land Use Map
2. Aerial Photograph
3. Project Location Map

4. Project Plans
5. 52nd Street & Dawson Avenue Design Guidelines
6. Draft Permit with Conditions
7. Draft Resolution with Findings
8. Community Planning Group Recommendation
9. Ownership Disclosure Statement
10. Project Data Sheet
11. Project Chronology